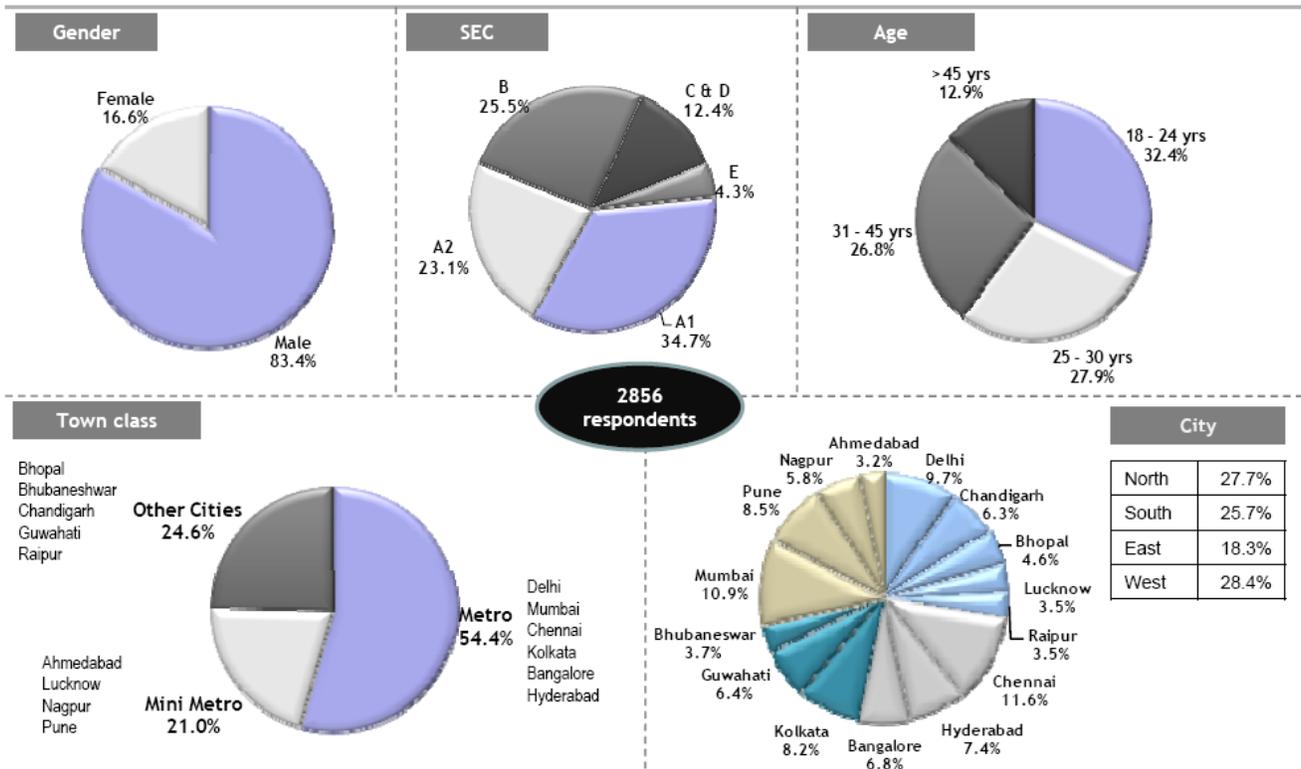


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**Cindex – a brief background**

- Ongoing tracking of the state of health of customer service was pioneered by the University of Michigan through its American Customer service Index (ACSI). Over the years, the ACSI has become an established benchmark and is used as a reference point by industry.
- No such measurement system is operative in India. Custommerce's ambitious goal is to develop an index to measure the customer experience in India and to make the top line findings available to all who are interested. This metric, "Cindex", will help build awareness of the state of customer service and should help drive this upwards in the future.
- Six questions are under testing for developing Cindex. These measure customer satisfaction, advocacy, and likelihood of continuing, value for money, expectation fulfillment and perceived distance from an ideal brand. These questions are in wide use in the field. Our initial work shows that, other than expectation fulfillment, these combine well to generate a composite measure of customer experience for individual product and service groups.
- Custommerce presents top line findings of Cindex levels for four product/service categories – Mobile Phone service, Bank Savings Account, Urban public bus service, Urban train (metro) service. A random sample of almost 3000 mobile phone service users across sixteen cities in the country (covering the metros and smaller centers like Guwahati, Raipur, Nagpur and Bhubaneshwar) has provided us with the raw material used to put these findings together.

**Sample frame**



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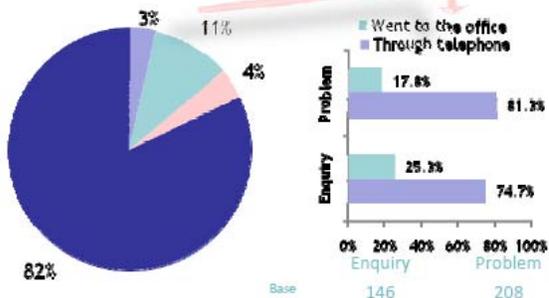
The Cindex leaders and the laggards

The highest possible score for Cindex is 100. The line up has Urban public bus services at the bottom, Mobile Phone and Savings Bank in the middle and Urban train (metro) in the lead.

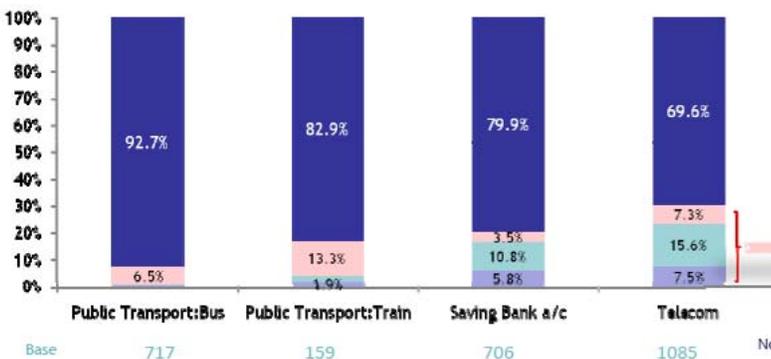
- The metro train services are relatively recent in the Indian context. They represent technology and modernity, something which may help explain why these have emerged at the top of the heap in terms of experience. Within the cities with such services, Delhi and Chennai are in the lead with Mumbai at the bottom – again this could be explained by the relative overcrowding and lack of facilities in the Mumbai suburban train system in comparison with that in other cities. In contrast, the bus services are associated with uncomfortable and unreliable travel – possible explanations for their low rating.
- The moderate position given to Mobile Service providers and Savings Bank may emerge as a setback for these businesses. A lot of their advertising and communication stresses the customer service area and fair investment has probably gone into establishing processes to support this. It appears that they need to do much more to win over the Indian consumer and to, thus, safeguard their individual brand positions in these competitive markets.

Mobile users have more reasons to contact the service provider

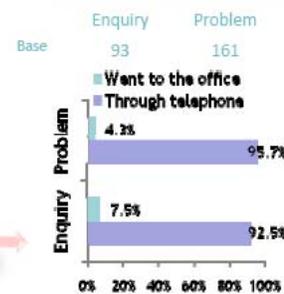
Overall



■ Yes, for a specific need ■ Yes, I had a problem ■ No, I had a problem ■ No, I had no reason



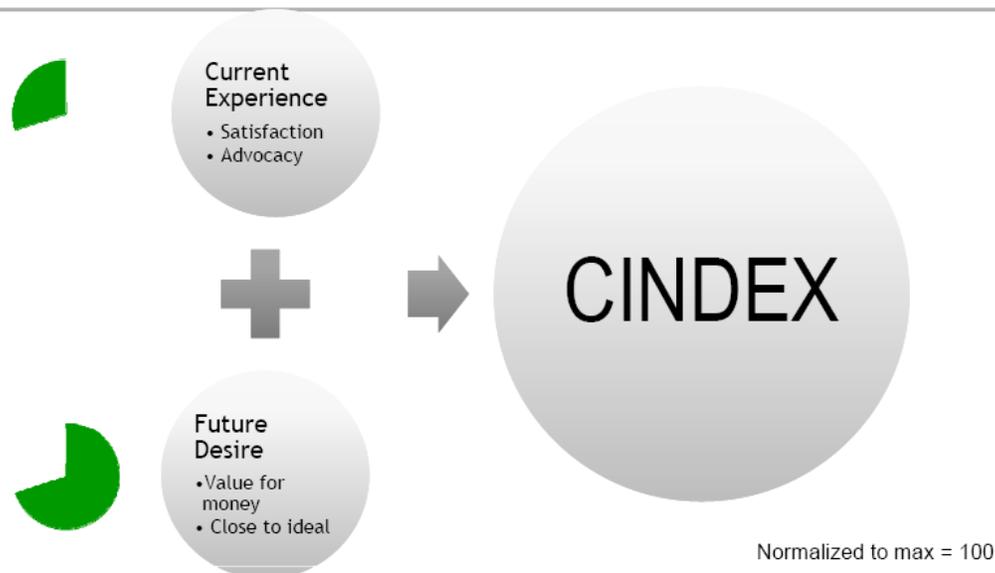
Mobile service provider



Note: Data is not reported for other segments due to lack of minimum required base

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**Driving Cindex upwards**

- Is it possible to get a perfect Cindex score of 100? Extremely unlikely – but it is possible to identify action areas where improved performance will help move the index up.
- There is a link between individual aspects of customer experience and the Cindex. Those who give a high rating to Uninterrupted voice calls (low call drops), for instance, have a Cindex of 82 – 11 points higher than the overall score for Mobile Phone service providers. Network improvements resulting in low call drops, coupled with supporting communication should help increase ratings at this feature's level and at the overall Cindex level. Similar action at the Phone Banking level (the Cindex is 18% higher for those satisfied with this process) should help raise the Cindex for Savings Bank accounts.
- There is plenty of opportunity for improving ratings at the individual aspect/feature or process level. Among the top three "drivers" of the Cindex for Urban Train Service, just 25% give a good rating (10, 9 or 8 on a ten point scale) to Telephone Service; and only 44% give a similar rating to the Process for ticket issue at stations. For Mobile Phone service, only 25% are happy with Low call drops and just 37% with Voice Clarity. Thus, we have the majority giving low or moderate ratings (1 to 7) to individual aspects of their experience or interaction with the service.
- Customers with problems tend to deliver a lower Cindex than those without. For Mobile Phone Service, one customer in every five has had a problem in the recent past. What is worse, a third of these customers keep the problem to themselves and do not report it to the company – thus, making it impossible for the company to realize the depth of their complaints and to take appropriate action.
- There is remarkable consistency in the Cindex within product groups, across various demographic criteria. However, there are differences when it comes to geography, across town classes and cities. This suggests that the delivery mechanism for the services varies by geography and that there is opportunity for understanding "best practices" and learning from them.

**The concept of Customer Service Index (CINDEX) explained**


*a Custommerce initiative***The good news – and the bad**

- Very few customers have given ratings at the lower end of the scale (1,2 or 3) for the five questions that make up the Cindex. The proportion of those giving low ratings is small, typically a maximum of 7%, usually less. This is good news because it suggests that a lot of customers are giving relatively moderate ratings (4 to 7 on the scale) and it is possible for individual brands to hope to move some of these up to the top end, hence improving their Cindex.
- The bad news is that very few customers have had a great service experience in the past six months, just 5%. Feedback on this was not limited to the industry groups studied in detail and we found the businesses mentioned most often in the context of such experience were Retail stores, Restaurants or Banks (by about half of those with a great experience).
- For customer experience to improve, significantly more than one-twentieth of customers must start having great experiences. The good news, again, is that most 'great experiences' end up describing a job well done (the correct input provided, a little bit of help extended, the right information made available...).
- A lot more attention to the People and the Processes used to manage interactions with customers should help improve customer experience considerably. And if frontline people treat customers the way they themselves would like to be treated, a major step would have been taken in the journey to manage and improve the customer's experience.

**Train CINDEX is at the forefront with the Bus bringing up the rear**

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